



Substitute Senate Bill No. 492

Public Act No. 08-110

***AN ACT MAKING TECHNICAL REVISIONS AND MINOR CHANGES
TO THE INSURANCE STATUTES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (a) of section 38a-363 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

As used in sections 38a-17, 38a-19 of the 2008 supplement to the general statutes and 38a-363 to 38a-388, inclusive, as amended by this act:

(a) "Injury" means bodily injury, sickness or disease, including death resulting therefrom, accidentally caused and arising out of the ownership, maintenance or use of a private passenger motor vehicle or a vehicle with a commercial registration, as defined in subdivision (14) of [subsection (a) of] section 14-1 of the 2008 supplement to the general statutes.

Sec. 2. Subsection (b) of section 38a-476 of the 2008 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) (1) No group health insurance plan or insurance arrangement

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[may] shall impose a preexisting conditions provision [which] that excludes coverage for a period beyond twelve months following the insured's effective date of coverage. Any preexisting conditions provision [may] shall only relate to conditions, whether physical or mental, for which medical advice, diagnosis or care or treatment was recommended or received during the six months immediately preceding the effective date of coverage.

(2) No individual health insurance plan or insurance arrangement [may] shall impose a preexisting conditions provision [which] that excludes coverage beyond twelve months following the insured's effective date of coverage. Any preexisting conditions provision [may] shall only relate to conditions, whether physical or mental, for which medical advice, diagnosis or care or treatment was recommended or received during the twelve months immediately preceding the effective date of coverage.

Sec. 3. Subparagraph (A) of subdivision (4) of section 38a-564 of the 2008 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(4) (A) "Small employer" means any person, firm, corporation, limited liability company, partnership or association actively engaged in business or self-employed for at least three consecutive months who, on at least fifty per cent of its working days during the preceding twelve months, employed no more than fifty eligible employees, the majority of whom were employed within the state of Connecticut. "Small employer" includes a self-employed individual. In determining the number of eligible employees, companies which are affiliated companies, as defined in section 33-840, or which are eligible to file a combined tax return for purposes of taxation under chapter 208 shall be considered one employer. Eligible employees shall not include employees covered through the employer by health insurance plans or insurance arrangements issued to or in accordance with a trust

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established pursuant to collective bargaining subject to the federal Labor Management Relations Act. Except as otherwise specifically provided, provisions of sections 12-201, 12-211, 12-212a and 38a-564 to 38a-572, inclusive, [which] as amended by this act, that apply to a small employer shall continue to apply until the plan anniversary following the date the employer no longer meets the requirements of this definition.

Sec. 4. Section 38a-982 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) No insurance institution, agent or insurance-support organization [may] shall prepare or request an investigative consumer report pertaining to an individual in connection with an insurance transaction involving an application for insurance, a policy renewal, reinstatement or a change in insurance benefits unless the insurance institution or agent informs the individual that: (1) [That he] The individual may request to be interviewed in connection with the preparation of the investigative consumer report and (2) [that] upon request pursuant to section 38a-983, [he] the individual is entitled to receive a copy of the investigative consumer report.

(b) If an investigative consumer report is to be prepared by an insurance institution or agent, the institution or agent shall establish reasonable procedures pertaining to the conduct of a personal interview requested by an individual.

(c) If an investigative consumer report is to be prepared by an insurance-support organization, the institution or agent desiring such report shall inform the insurance-support organization whether a personal interview has been requested by the individual. The insurance-support organization shall establish reasonable procedures pertaining to the conduct of such interviews, if requested.

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Sec. 5. Section 38a-984 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) [Within] Not later than thirty business days from the date of receipt of a written request from an individual to correct, amend or delete any recorded personal information concerning [him] the individual within its possession, an insurance institution, agent or insurance-support organization shall; [either:] (1) Correct, amend or delete the portion of the recorded personal information in dispute; or (2) notify the individual of: (A) Its refusal to make such correction, amendment or deletion; (B) the reasons for the refusal, and (C) [his] the individual's right to file a statement as provided in subsection (c) of this section.

(b) If the insurance institution, agent or insurance-support organization corrects, amends or deletes recorded personal information in accordance with subdivision (1) of subsection (a) of this section, it shall so notify the individual in writing and furnish the correction, amendment or fact of deletion to: (1) Any person specifically designated by the individual who may have, within the preceding two years, received such recorded personal information; (2) any insurance-support organization whose primary source of personal information is insurance institutions if such organization has systematically received such information from the insurance institution within the preceding seven years; provided that the correction, amendment or deletion need not be furnished if the organization no longer maintains the information about the individual; and (3) any insurance-support organization that furnished the personal information that has been corrected, amended or deleted.

(c) Whenever an individual disagrees with an institution's, agent's or organization's refusal to correct, amend or delete recorded personal information, the individual shall be permitted to file with the institution, agent or organization: (1) A concise statement specifying

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what the individual believes to be the correct, relevant or fair information, and (2) a concise statement of the reasons the individual disagrees with the institution's, agent's or organization's refusal to correct, amend or delete recorded personal information.

(d) In the event an individual files either statement as described in subsection (c) of this section, the insurance institution, agent or support organization shall: (1) File the statement with the disputed personal information and provide a means by which anyone reviewing such information will be cognizant of the individual's statement and have access to it, (2) in any subsequent disclosure by the institution, agent or organization of the recorded personal information that is the subject of disagreement, clearly identify the matter in dispute and provide the individual's statement along with the information being disclosed, and (3) furnish the statement to the persons in the manner specified in subsection (b) of this section.

(e) The rights granted to individuals in this section shall extend to all individuals to the extent information concerning [them] such individuals is collected and maintained by an insurance institution, agent or insurance-support organization in connection with an insurance transaction, except with respect to information that relates to and is collected in connection with or in reasonable anticipation of, a claim or a civil or criminal proceeding involving [them] such individuals.

(f) For purposes of this section, the term "insurance-support organization" does not include "consumer reporting agency".

Sec. 6. Section 38a-986 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

No insurance institution, agent or insurance-support organization [may] shall seek information in connection with an insurance

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transaction concerning any previous adverse underwriting decisions experienced by an individual, or any previous insurance coverage obtained by an individual through a residual market mechanism, unless such institution, agent or organization also requests the reasons for any previous adverse underwriting decision or the reasons insurance coverage was previously obtained through a residual market mechanism.

Sec. 7. Section 38a-987 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

No insurance institution or agent [may] shall base an adverse underwriting decision in whole or in part:

(1) On a previous adverse underwriting decision or on the fact that an individual previously obtained insurance coverage through a residual market mechanism, provided an insurance institution or agent may base an adverse underwriting decision on further information obtained from an insurance institution or agent responsible for a previous adverse underwriting decision;

(2) On personal information received from an insurance-support organization whose primary source of information is an insurance institution, provided an insurance institution or agent may base an adverse underwriting decision on further personal information obtained as the result of information received from an insurance-support organization.

Approved May 27, 2008